

N E W S R E L E A S E

Contact: Kevin Callori
Velessata Kelley
(916) 654-9029

Date: April 26, 2006

News Release No.: 06-16

With EZPAY, businesses can use credit cards to make payroll tax deposits on the Internet or over the phone

SACRAMENTO -- California businesses can now use a major credit card to make payroll tax deposits on the Internet or over the phone quickly and safely, thanks to the state Employment Development Department's (EDD) new EZPAY system.

"EZPAY marks a major step in our journey toward making all of our business systems efficient and customer friendly," said EDD Director Patrick Henning. "This credit card payment system offers California businesses another option for making payroll tax deposits, a convenient option that includes strong safeguards to protect their privacy."

EZPAY accepts American Express, Discover, MasterCard, and Visa cards to make Payroll Tax Deposits (DE 88s). Online payments can be made at www.officialpayments.com. Touch tone phone payments are accepted at 1-800-272-9829. Both Internet and telephone systems guide users through the transaction and provide a confirmation number to verify the payment.

Official Payments Corp. (OPC) provides the service for a fee of 2.5 percent of the payment, with a minimum fee of \$1. There is no registration process and the system is accessible 24 hours a day, 7 days a week at OPC's Web site. (Businesses using the telephone option enter jurisdiction code 1501.)

Due dates for deposits remain the same for credit card payments. The effective date of a credit card payment is the date the transaction is completed, including weekends and holidays. If the transaction is not completed by midnight, Pacific time, it will be effective on the next calendar day. It may take 3-5 days for the payment to post to EDD's accounting system due to standard credit card processing time.

(more)

There are some limitations to the use of EZPAY. It cannot be used to charge tax liabilities billed by EDD. Credit card payment does not satisfy the requirements for mandatory electronic funds transfer filers for State Disability Insurance (SDI) and California Personal Income Tax (PIT) deposits. A noncompliance penalty will apply to any SDI/PIT credit card payments.

Official Payments' clients include more than 2,000 federal, state and local governments and agencies, including the Internal Revenue Service.

#